GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

JULY 31, 2003

TM GRAIN TRANSPORT COST INDICATORS	Truck	Rail	Barge	Ocean Gulf	Ocean PNW
Indicator Value* for 07/31	**97**	**151**	**84**	**146**	**160**
Compared to Last Week	**Unchanged**	↓	↑	↓	↓

*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan

Sept. 4-5	Truth or Consequences: The Future of Contracts in Agriculture	Kansas City, MO	Janie Hipp 479-575-2256 (ph) 479-575-5306 (fax)
Sept. 7-9	World Fertilizer Conference	Boston, MA	202-962-0490 (ph) 202-962-0577 (fax)
Sept. 10-12	Greater New Orleans Barge Fleeting Assoc. 2003 River & Marine Industry Seminar	New Orleans, LA	Alan Savoie 985-783-6605 (ph) www.gnobfar.com
Sept. 19-24	National Association of State Dept. of Agriculture (NASDA) Annual Meeting.	Boise, ID	Kelly Killen 208-332-8503 Robin Mason 208-332-8500
Sept. 10-12	Greater New Orleans Barge Fleeting Assoc. 2003 River & Marine Industry Seminar	New Orleans, LA	Alan Savoie 985-783-6605 (ph) www.gnobfar.com
Sept. 24-26	National Waterways Conference Annual Meeting	Houston, TX	202-296-4415 (ph) 202-835-3861
Sept. 28-Oct. 3	2003 American Association of Port Authorities (AAPA) Annual Convention	Curacao, Netherlands Antilles	703-684-5700 (ph) 703-684-6321 info@aapa.ports.org
Oct. 18-21	National Assoc. Of Wheat Growers (NAWG) Fall Board Meeting	Minneapolis, MN	202-547-7800 (ph) 202-546-2638 (fax) wheatworld@wheatworld.org

Report is prepared by Deen Olowolayemo, Johnny Hill and Karl Hacker, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov .

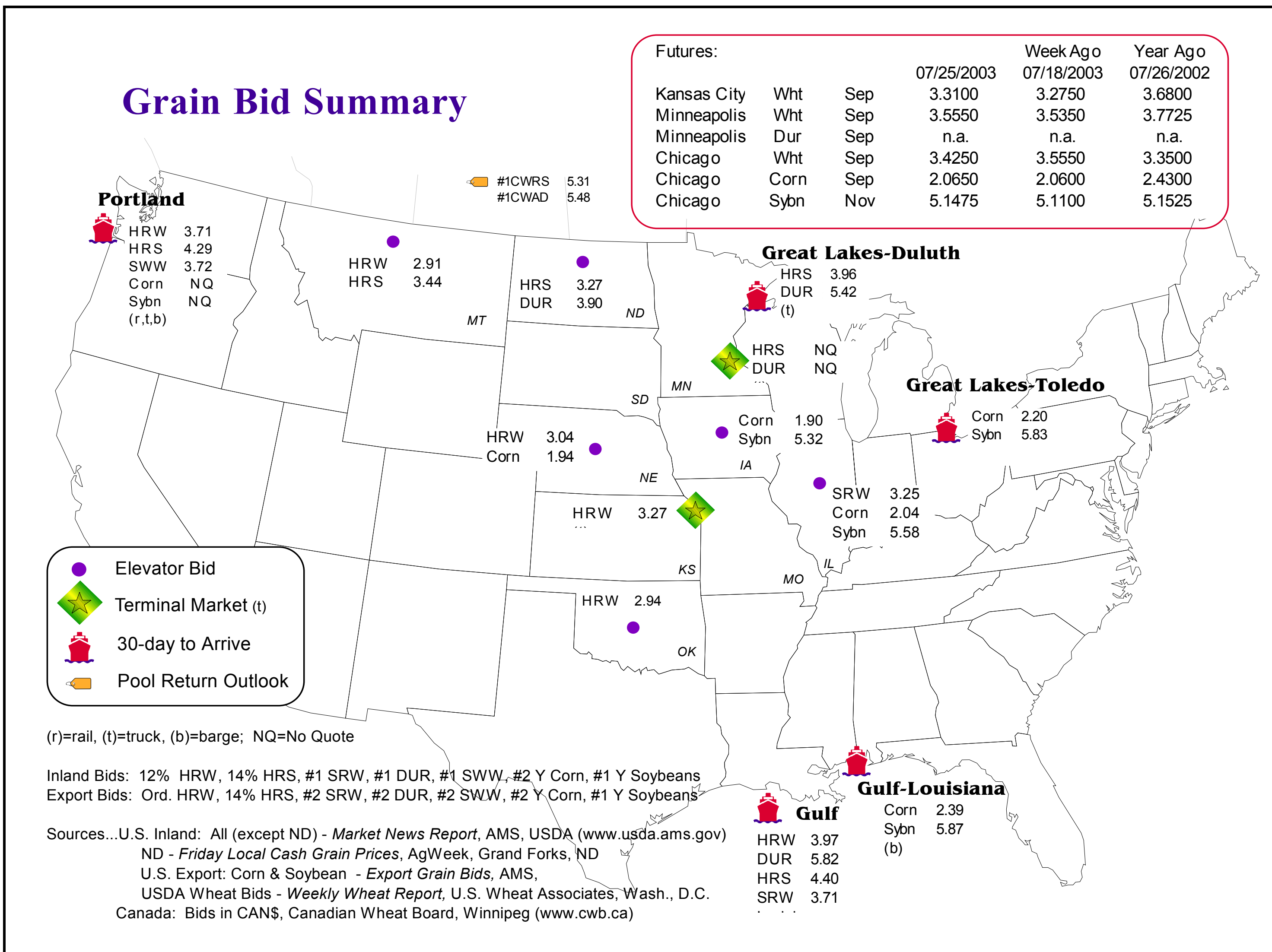
Contents

The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads (Per Bushel)

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.35	-0.37
Corn	NE -- Gulf	-0.45	-0.50
Soybean	IA -- Gulf	-0.55	-0.57
HRW	KS -- Gulf	-0.70	-0.67
HRS	ND -- Portland	-1.02	-1.03

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.



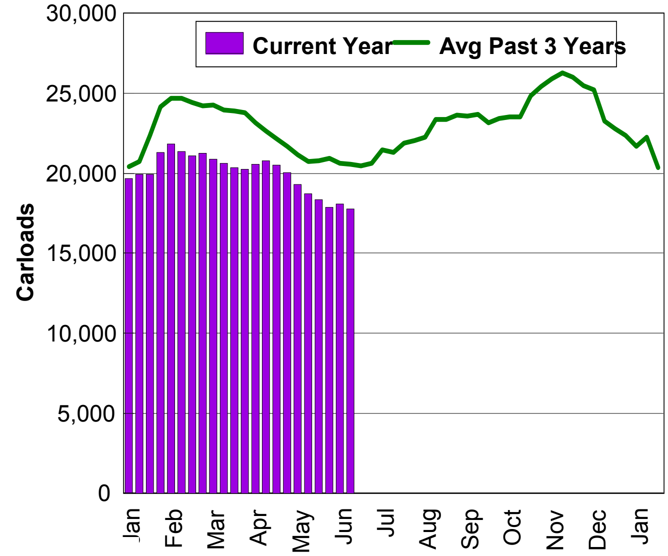
RAIL TRANSPORTATION

Rail Deliveries to Port (Carloads)

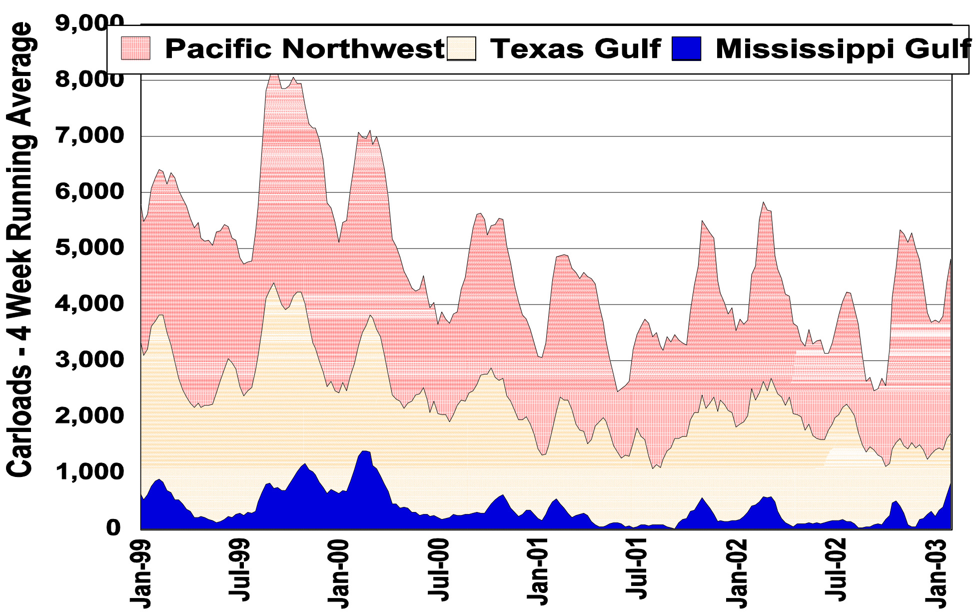
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
07/09/03	126	1,371	1,876	152	3,525
07/16/03	90	1,514	2,271	119	3,994
YTD 2003	9,245	36,132	81,231	10,542	137,150
YTD 2002	7,083	54,553	56,311	13,615	131,562
% YTD 2002	131%	66%	144%	77%	104%
Total 2002	11,112	83,799	111,719	21,551	228,181
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Grain Car Loadings for Class I Railroads



Rail Deliveries to Port



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin (Grain Carloads Originated and Grain Service Index)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
07/19/03	2,622	3,597	6,712	699	6,916	20,546	3,560	3,767
This Week Last Year	2,759	3,559	7,541	614	6,290	20,763	4,799	4,012
2003 YTD	79,993	93,188	206,903	10,663	186,333	577,080	97,808	99,691
2002 YTD	81,573	90,788	211,595	16,719	192,417	593,092	118,181	103,324
% of Last Year	98%	103%	98%	64%	97%	97%	83%	96%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765
U.S. Rail Covered Hopper Cars Online Index*								
June-03	94.1	96.1	91.0	88.5	91.3	92.5		

Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

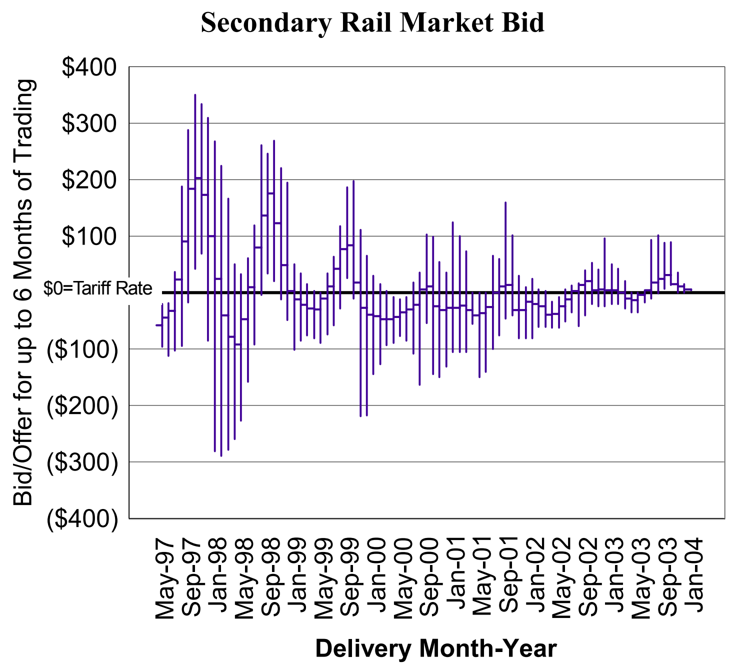
Railroad Car 'Auction' Results
Average Premium/Discount to Tariff, $/Car - Last Auction

Delivery for:	Sep-03	Oct-03	Nov-03
COT/N. Grain	sold out	$66	$42
COT/S. Grain	$46	$0	$0
GCAS/Region 1	no bid	no bid	no bid
GCAS/Region 2	$1	no bid	$2

Source: Transportation & Marketing/AMS/USDA.
COT=Certificate of Transportation; GCAS=Grain Car Allocation System

Secondary Rail Car Market
Average Premium/Discount to Tariff, $/Car - Last Week

	Delivery Period			
	Aug-03	Sep-03	Oct-03	Nov-03
BNSF-GF	$102	$88	$90	$36
UP-Pool	$9	$29	$38	$26

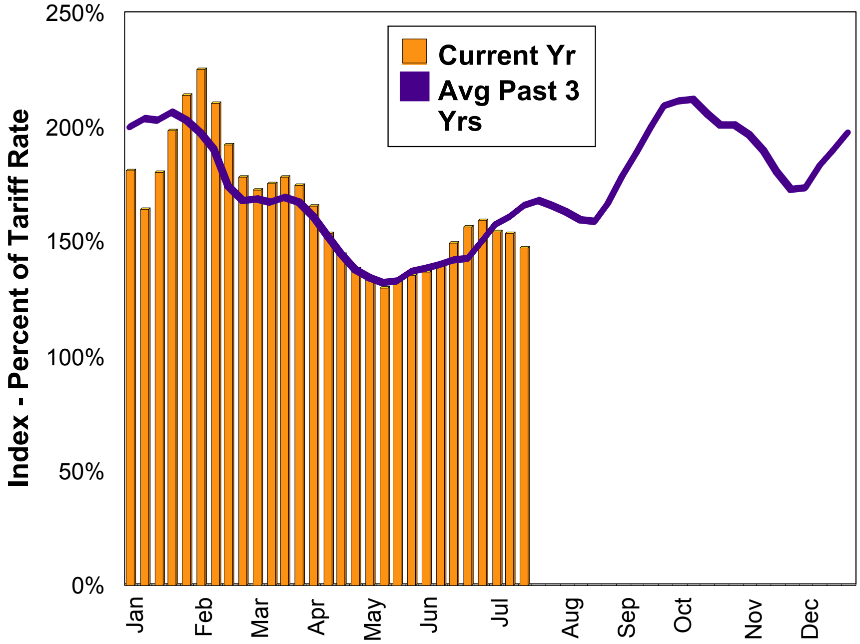


Tariff Rail Rates for Unit Train Shipments
July 2003
Source: www.bnsf.com., approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu*

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
07/07/03	113710	Wheat	Kansas City, MO	Galveston, TX	$1,720	$18.96	$0.52
07/07/03	43521	Wheat	Minneapolis, MN	Portland, OR	$4,148	$45.72	$1.24
07/07/03	46540	Wheat	St. Louis, MO	Houston, TX	$1,795	$19.79	$0.54
07/07/03	113710	Wheat	Kansas City, MO	Laredo, TX	$2,180	$24.03	$0.65
07/07/03	15507	Wheat	Chicago, IL	Albany, NY	$1,834	$20.22	$0.55
07/07/03	31005	Corn	Minneapolis, MN	Portland, OR	$3,050	$33.62	$0.85
07/07/03	1132.002	Corn	Chicago, IL	Baton Rouge, LA	$1,845	$20.34	$0.52
07/07/03	1132.03	Corn	Council Bluffs, IA	Baton Rouge, LA	$1,970	$21.72	$0.55
07/07/03	113210	Corn	Evansville, IN	Raleigh, NC	$1,686	$18.58	$0.47
07/07/03	1132	Corn	Des Moines, IA	Laredo, TX	$2,595	$28.60	$0.73
07/07/03	61110	Soybean	Minneapolis, MN	Portland, OR	$3,030	$33.40	$0.91
07/07/03	1144	Soybeans	Chicago, IL	Baton Rouge, LA	$2,736	$30.16	$0.82
07/07/03	1144	Soybeans	Council Bluffs, IA	Baton Rouge, LA	$2,799	$30.85	$0.84
07/07/03	1144	Soybeans	Des Moines, IA	Laredo, TX	$2,864	$31.57	$0.86
07/07/03	11441	Soybeans	Evansville, IN	Raleigh, NC	$1,686	$18.58	$0.51

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate** Per Ton:
Index × 1976 Tariff Benchmark Rate per Ton

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

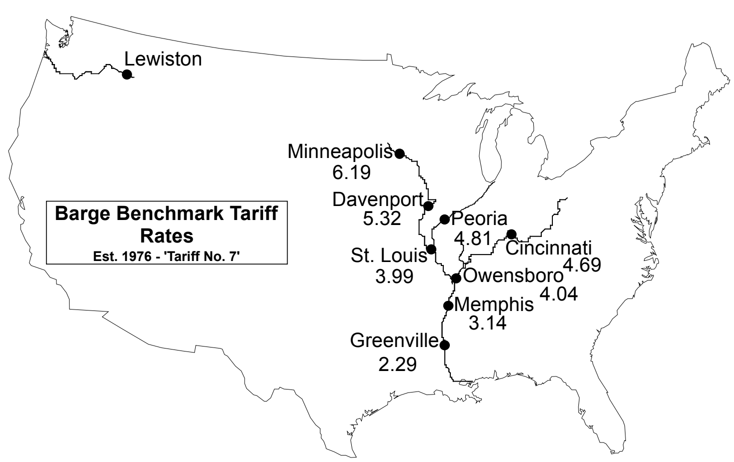
	7/23/03	7/16/03	Aug '03	Oct '03
Twin Cities	195	205	210	266
Mid-Mississippi	158	165	174	249
Illinois River	148	154	165	244
St. Louis	109	110	153	210
Lower Ohio	128	127	153	241
Cairo-Memphis	105	105	145	201

Source: Transportation & Marketing /AMS/USDA

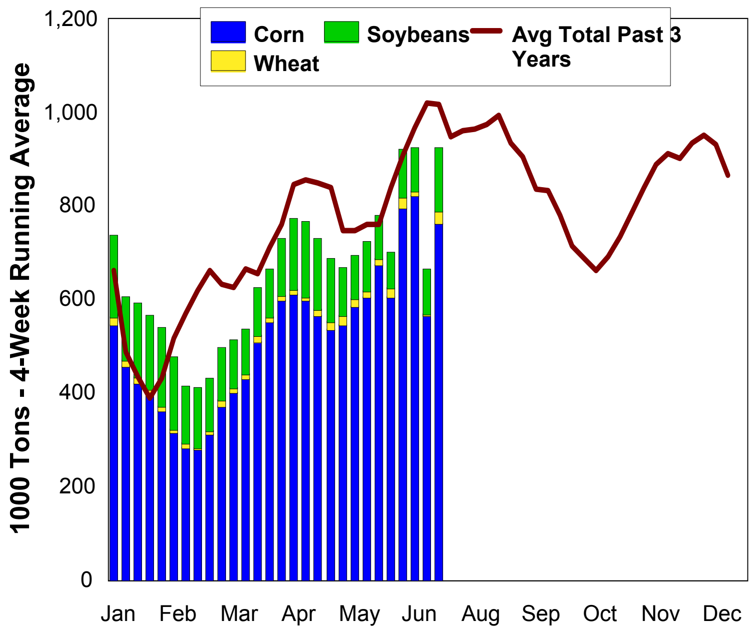
BARGE FUTURES MARKET
Southbound Barge Freight Nominal/Cash Basis Values
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

			Rate	
Week ended	**River/Region**	**Contract Period**	**Futures**	**Cash**
7/29/03	St. Louis	Aug	n/a	145
		Oct	n/a	215
		Dec	n/a	140
		Feb	n/a	140
		Mar	n/a	140
	Illinois River	Aug	n/a	153
		Oct	n/a	248
		Dec	n/a	178
		Feb	n/a	185
		Mar	n/a	168

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)



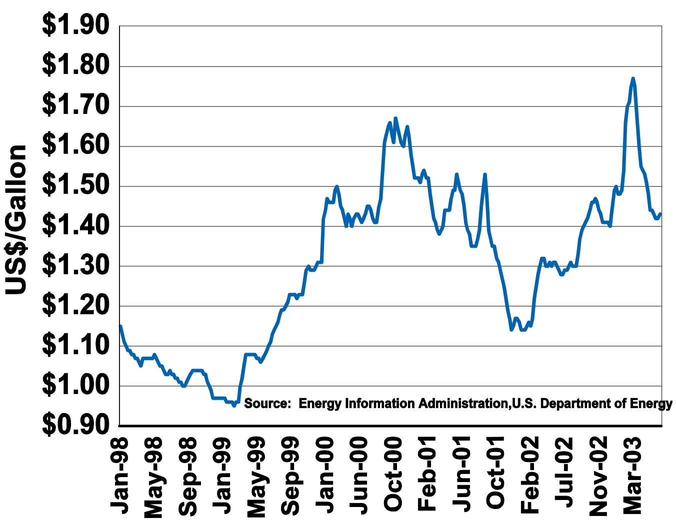
Barge Grain Movements (1,000 Tons)
for week ending 7/19/03

	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	408	8	66	482
Winfield, MO (L25)	568	12	112	695
Alton, IL (L26)	736	25	130	893
Granite City, IL (L27)	766	24	135	927
Illinois River (L8)	82	3	9	95
Ohio River (L52)	5	28	5	38
Arkansas River (L1)	0	60	0	60
2003 YTD	16,635	1,101	4,785	22,975
2002 YTD	20,182	1,297	5,977	28,430
% of 2002 YTD	82%	85%	80%	81%
Total 2001	31,878	2,679	10,616	47,091

Source: U.S. Army Corp of Engineers,
YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

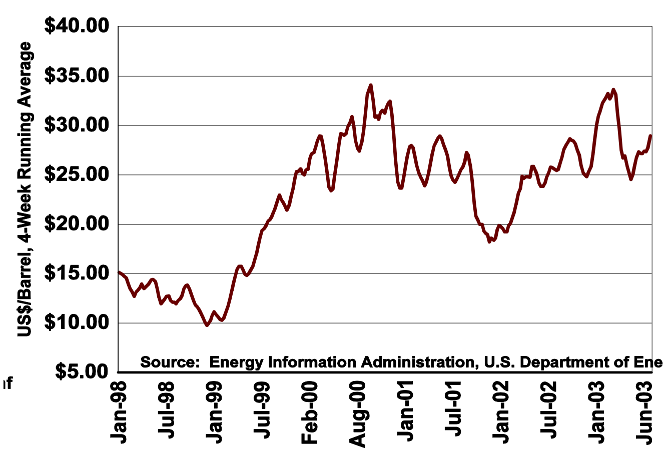
TRUCK TRANSPORTATION

Weekly U.S. Retail Road Diesel Price



The weekly **Diesel Price** provides a proxy for trends in U.S truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly Brent Crude Price, Friday Close



Crude Oil Prices (07/29/03)

US$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	29.61	29.39	↑
Brent Crude	28.11	28.02	↑

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

GRAIN EXPORTS

U.S. Export Balances (1,000 Metric Tons)

	Wheat						Corn*	Soybean*	Total
	HRW	SRW	HRS	SWW	DUR	All			
07/17/2003	2,019	486	1,221	574	147	4,446	6,092	6,357	16,895
This Week Year Ago	1,136	449	984	671	116	3,356	5,402	1,979	10,737
Commulative Exports-Crop Year									
03/04 YTD	1,164	317	633	379	111	2,604	35,086	27,771	65,461
02/03 YTD	1,195	421	653	395	138	2,802	41,667	27,914	72,383
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	48,760	26,972	101,185

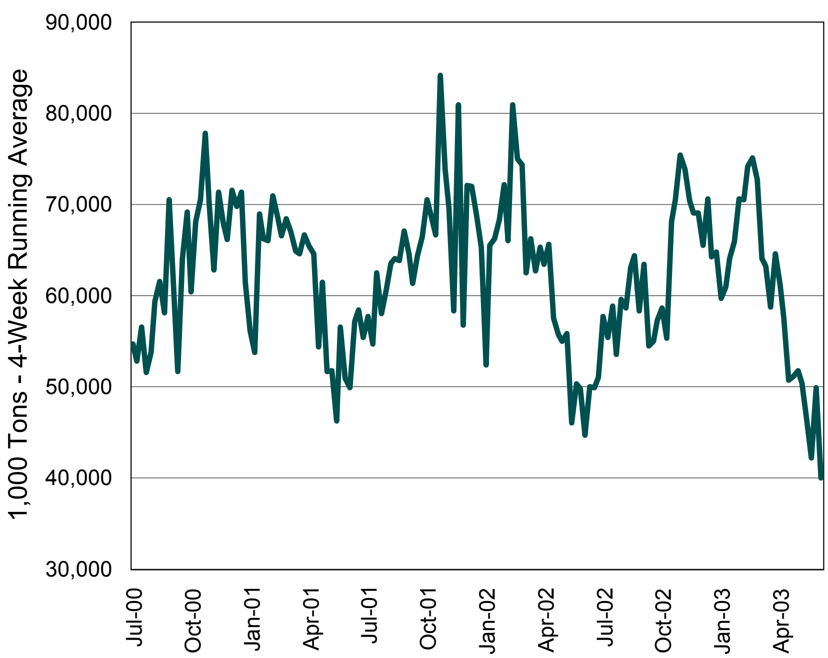
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov)

Select U.S. Port Regions - Grain Inspections for Export (1,000 Metric Tons)

	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region Total		
	Wheat	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Pacific*	*Mississippi*	*Texas*
07/24/03	140	217	9	159	685	79	173	0	0	365	923	173
2003 YTD	4,577	2,968	2,623	2,542	16,304	9,946	2,875	529	50	10,168	28,791	3,454
2002 YTD	4,691	2,559	1,400	3,294	22,092	10,090	3,654	177	327	8,650	35,477	4,158
% of 2002 YTD	98%	116%	187%	77%	74%	99%	79%	299%	15%	118%	81%	83%
2002 Total	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906

Source: Federal Grain Inspection Service YTD-Year-to-Date

U.S. Grain Inspected for Export



Select Canadian Port Export Inspections
1,000 Metric Tons, Week End Summary

06/19/2003	Wheat	Durum	Barley
Vancouver	105	5	
Prince Rupert			
Prairie Direct	5		
Thunder Bay	18		
St. Lawrence	4,492	2,329	290
2001/02 YTD	10,666	2,963	961
2002/03 YTD	4,620	2,334	290
% of Last Year	43%	79%	30%

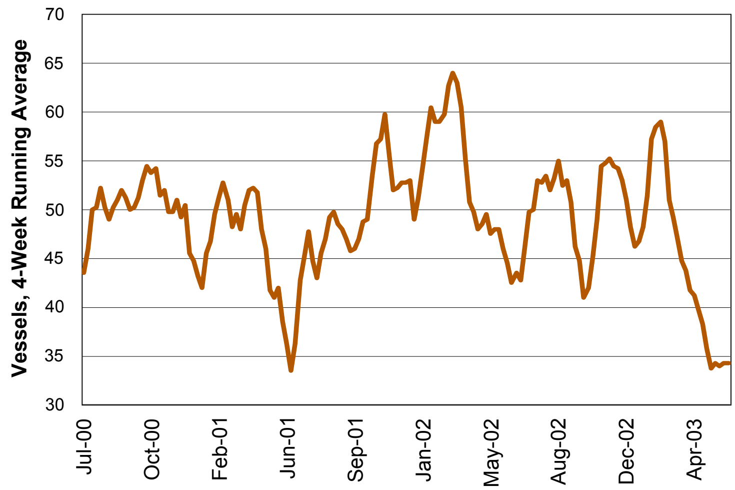
Source: Canadian Grains Commission, Crop Year 8/1-7/31

Port Region Ocean Grain Vessels

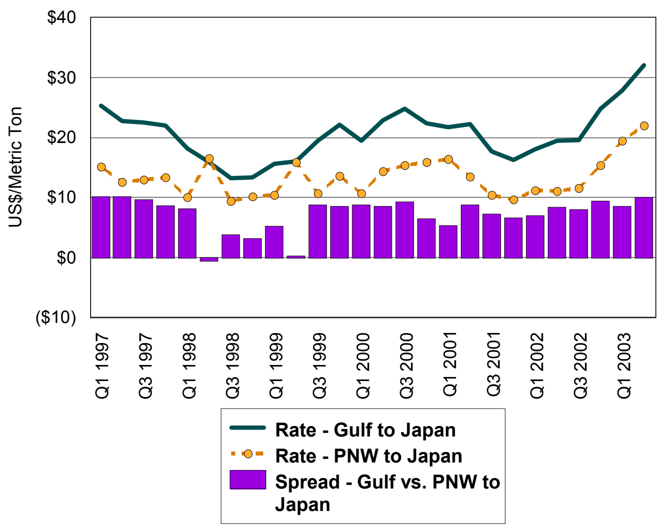
	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
07/17/03	26	51	54	7	10
07/24/03	29	47	64	11	7
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing /AMS/ USDA

Gulf Port Region Grain Vessel Loading
Past 7 Days



Grain Vessel Rates to Japan



Quarterly Ocean Freight Rates
Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2003 2nd Qtr	2002 2nd Qtr	% Change		2003 2nd Qtr	2002 2nd Qtr	% Change
Gulf to				**Pacific NW to**			
Japan	$31.53	$19.43	62%	Japan	$19.33	$11.03	75%
Mexico	-	$46.92	-				
N. Europe	$18.98	$13.58	40%	**Argentina/Brazil to**			
N. Africa	$21.75	$15.84	37%	Med. Sea	$24.50	$16.98	44%
Med. Sea	$21.88	$12.62	73%	N. Europe	-	$17.16	-
				China	$32.50	-	-

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates for Selected Shipments - week ending 7/26/03

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate ($Ton)
U.S. Gulf	Egypt	Wheat/Corn	Jul 21/31	55,000	$24.50
U.S. Gulf	Angola	Wheat	Aug 1/11	7,460	$60.00*
PNW	Bangladesh	Grains	Aug 1/10	23,750	$119.88*
PNW	Bangladesh	Grains	Aug 1/10	5,000	$44.00
U.S. Gulf	Japan	Heavy Grain	Jul 25/30	54,000	$29.40
River Plate	China	Heavy Grain	Jul 15/25	55,000	$34.75

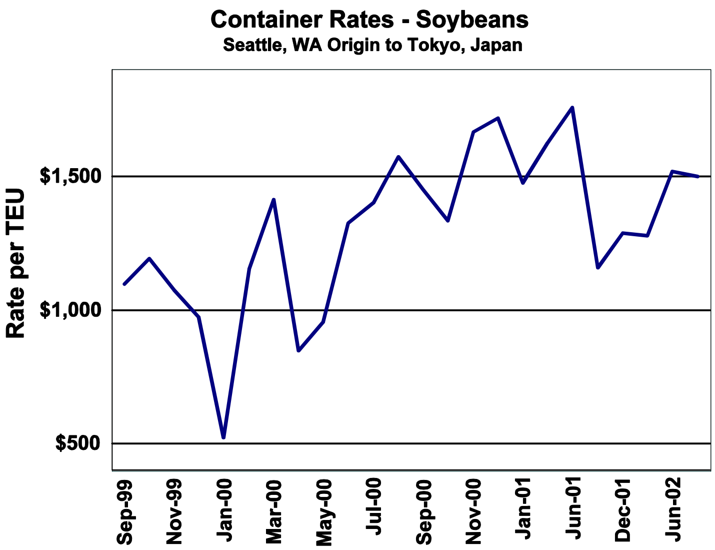
Source: Maritime Research Inc.

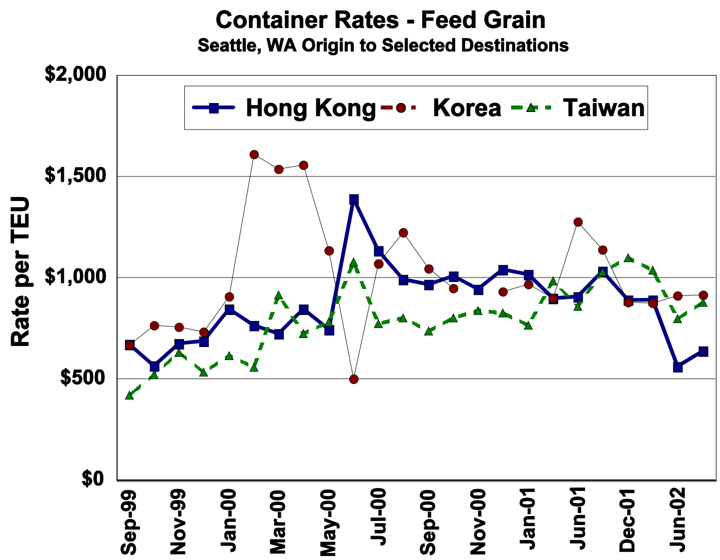
Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

CONTAINER

Container Ocean Freight Rates
Average Rate per TEU, Weighed by Shipping Line Market Share
Source: Transportation & Marketing/AMS/USDA, Quarterly Updates





Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.